No. 18 ORIGINAL

In the Supreme Court
OF THE
United States

October Term, 1934

UNITED STATES OF AMERICA,
Plaintiff,

vs.

STATE OF ARIZONA,
Defendant.

ANSWER

The State of Arizona, by its Attorney General and Special Assistant Attorney General, answers the Bill of Complaint in the above entitled cause as follows:

I.

Answering the allegations of Paragraph I of the Bill of Complaint, the defendant admits that on or about September 10, 1934, The United States of America, acting by and through the Secretary of the Interior, commenced the construction of Parker Dam, described in the Bill of

Complaint, in the main stream of the Colorado River, but denies that in the construction of said Dam, the United States acted by or through the Federal Emergency Administrator of Public Works, or that either said Administrator or the Secretary of the Interior commenced the construction of said Dam pursuant to, or by the authority of, the Constitution and laws of the United States, or for the purpose of controlling floods and regulating navigation, or for irrigating and reclaiming lands within the Colorado River Indian Reservation or public lands of the United States, or for protecting Federal property from damage by floods by re-regulating the water discharged at Hoover Dam.

Further answering Paragraph I of the Bill of Complaint, the defendant alleges that the Secretary of the Interior, assuming to act for and on behalf of the United States, did on or about the 23rd day of August, 1934, enter into a contract with Six Companies, Inc., a California corporation, to construct said Dam for the primary use and benefit of the Metropolitan Water District of Southern California, a corporation organized under the laws of California, wholly with funds to be furnished the Secretary of the Interior by said Water District pursuant to a purported contract dated the 10th day of February, 1933, between said District and the United States, acting by and through the then Secretary of the Interior of the United States, a copy of which said contract is hereto attached as an appendix to this answer and by reference made a part hereof.

II.

Defendant admits the allegations of Paragraph II of the Bill of Complaint, other than the allegations therein contained to the effect that Parker Dam and the reservoir to be created thereby will have the effect, or may be so used or operated, as to improve or aid navigation, and the defendant alleges, on the contrary, that said Dam and reservoir, when, and if constructed, will be an insuperable obstacle and impediment to navigation and will prevent navigation of the Colorado River between points above and below said Dam.

III.

Answering Patagraph III of the Bill of Complaint, the defendant admits that said Parker Dam has been included by the Federal Emergency Administrator of Public Works in the comprehensive program of public works referred to and authorized by Section 202 of the National Industrial Recovery Act, but in this connection, defendant alleges that said Dam project was not so included in said program of public works until December 28, 1933, more than ten months after the date of the contract between the Secretary of the Interior and the Metropolitan Water District of Southern California, by the terms of which the Secretary of the Interior assumed to bind the United States to construct said Dam for the benefit of said District.

IV.

Answering Paragraph IV of the Bill of Complaint, the defendant admits that the Chief of Engineers of the

United States Army has recommended the construction of said Parker Dam and project and said recommendation has received the approval of the Secretary of War, but in this connection, the defendant alleges that the Chief of Engineers did not recommend the construction of said Dam and the same was not approved by the Secretary of War until January 4th and January 5th, 1935, respectively, and that the construction of said Dam has not at anytime been authorized by an Act of Congress nor consented to by the State of Arizona.

V.

Answering the allegations of Paragraph V of the Bill of Complaint, the defendant admits that the Colorado River is an interstate stream flowing between the States of Arizona and California and the flow of the Bill Williams River ranges from nine cubic feet per second to over fifty cubic feet per second, but it denies that after the construction of Boulder Dam and the consequent regulation of the Colorado River, the floods of the Bill Williams River will be a menace to the lands of the Colorado River Indian Reservation, the public lands of the United States or to navigation of the Colorado River below the site of Parker Dam.

VI.

Defendant admits the allegations of Paragraph VI of the Bill of Complaint.

VII.

Defendant admits the allegations of Paragraph VII of the Bill of Complaint.

VIII.

Answering the allegations of Paragraph VIII of the Bill of Complaint, the defendant denies that the construction of Boulder Dam and Parker Dam pertain to the same general public purposes as expressed by Congress in enacting legislation for the regulation, control and improvement of the Colorado River System, including the regulation of the Colorado River respecting navigation, and in this connection alleges that the construction of Parker Dam has not been authorized by Congress and that its construction will destroy the navigability of the Colorado River between points above and below its site and have the effect of neutralizing and destroying the navigability of said River so to be improved as provided in the Boulder Canyon Project Act.

IX.

The defendant admits the allegations of Paragraph IX of the Bill of Complaint, except that it denies that Parker Dam is so designed as to irrigate lands within the Yuma or Colorado River Indian Reservation, or public lands in Arizona or California, except insofar as it may be utilized to develop hydro-electric power to be used for pumping and diverting water from the Colorado River for irrigation of such lands at points south of the site of said Dam.

Further answering Paragraph IX of the Bill of Complaint, the defendant alleges that the provisions of the Act of Congress of June 20, 1910 (c. 310, 36 Stat. 557,

570) by which Congress sought to limit the governmental and sovereign powers of the State of Arizona over the navigable waters within the State and to create an easement, or to reserve any rights of the United States in said waters, or the beds thereof, for its use in carrying out the provisions of the Reclamation Act or Acts amendatory thereof, or supplementary thereto, are void as in conflict with the constitutional principle of equality of the states.

X.

Answering the allegations of Paragraph X of the Bill of Complaint, the defendant alleges that it has attached hereto as an appendix, marked Exhibit "A", a true copy of the alleged contract of February 10, 1933, between the United States and the Metropolitan Water District of Southern California, and denies the allegations of said Paragraph X insofar as they are inconsistent with the provisions of said contract.

XI.

Defendant admits the allegations of Paragraph XI of the Bill of Complaint.

XII.

The defendant admits the allegations of Paragraph XII of the Bill of Complaint, except that it denies that the construction of said Parker Dam will not jeopardize or adversely effect any of its rights or authority, and it denies that unless the defendant, its officers and agents,

are prevented from interfering with the construction or the erection of said Dam, the Constitutional power and authority of the United States in respect to control of navigable rivers in aid of navigation and the use thereof and in the creation of public works will thereby be defeated and set at naught. In this connection defendant alleges that said Dam has no reasonable relation to the improvement of the navigation of said River other than to destroy it, and that its construction will be primarily for the advantage of the Metropolitan Water District of Southern California, and but incidentally to the advantage and benefit of the United States and to that extent only in its proprietary capacity.

XIII.

Answering the allegations of Paragraph XIII of the Bill of Complaint, the defendant denies that the plaintiff has no plain, speedy and adequate remedy at law and that unless the defendant, its officers, representatives and agents are restrained and enjoined from interfering with the construction of said Parker Dam, great and irreparable damage and injury to the United States will result, and in this connection the defendant alleges that no injury will so result to the United States, irreparable or otherwise, for the reason, among others, that the entire cost of the construction of said Dam is to be borne by the Metropolitan Water District of Southern California and not by the United States.

XIV.

Further answering the Bill of Complaint, the defendant is advised and accordingly alleges that the facts therein stated are insufficient to constitute a valid cause of action in equity against it and that it affirmatively appears upon the face of such Bill of Complaint that the United States of America is not the real party in interest and that the Metropolitan Water District of Southern California, a corporation, is the real party in interest.

WHEREFORE, the defendant prays that the Bill of Complaint be dismissed and for such other and further relief as to the Court may seem meet.

JOHN L. SULLIVAN,
Attorney General,

JAMES R. MOORE,
Special Assistant Attorney General.

Solicitors for Defendant.

HERMAN LEWKOWITZ,
Of Counsel.

APPENDIX

COOPERATIVE CONTRACT FOR CONSTRUCTION AND OPERATION OF PARKER DAM

Article

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COOPERATIVE CONTRACT FOR CONSTRUCTION AND OPERATION OF PARKER DAM

1. This contract, made this 10th day of February, 1933, pursuant to the act of Congress approved June 17, 1902 (32 Stat. 388), and acts amendatory thereof or suplementary thereto, all of which acts are commonly known and referred to as the reclamation law, and particularly pursuant to the act of Congress approved March 4, 1921 (41 Stat. 1367, 1404), section 25 of the act of Congress approved April 21, 1904 (33 Stat. 189, 224), and the act of Congress approved December 21, 1928 (45 Stat. 1057), designated the Boulder Canyon project act, and the Metropolitan Water District act of the Legislature of the State of California (Stats. 1927, chap. 429), as amended, particularly section 5, subdivision (9) thereof, between the United States of America, hereinafter referred to as the United States, acting for that purpose by Ray Lyman Wilbur, Secretary of the Interior, hereinafter styled the Secretary, and the Metropolitan Water District of Southern California, a public corporation, hereinafter referred to as the District, organized and existing under and by virtue of the laws of the State of California.

Witnesseth:

EXPLANATORY RECITALS

2. Whereas, these parties have heretofore on April 24, 1930, and September 28, 1931, entered into two contracts entitled respectively "Contract for Delivery of

Water" and "Supplementary Contract for Delivery of Water," which said contracts provide, among other things, for the delivery by the United States to the district each year from the Boulder Canyon Reservoir of quantities of water at a point in the Colorado River immediately above the district's point of diversion (at or in the vicinity of the proposed Parker Dam hereinafter referred to), and have also entered into two contracts (dated April 26, 1930, and May 31, 1930), for the purchase by the district from the United States of certain quantities of electrical energy to be generated at Hoover Dam, for the pumping of said water into and in an aqueduct to be constructed by the district; and

3. Whereas, the said point of delivery and the proposed Parker Dam are approximately ten (10) miles above the boundaries of the Colorado River Indian Reservation as designated by the act of Congress approved March 3, 1865 (13 Stat. 559), and there are now being irrigated, by pumping, approximately 6,000 acres of land within said reservation, and water has been reserved and appropriated pursuant to said act as amended or supplemented and particularly by the act of April 4, 1910, (36 Stat. 273), for additional lands within said reservation susceptible of irrigation from the Colorado River, the reclamation of which will require diversion from the river by construction of a dam, or by pumping or both, and will require drainage of said lands by pumping, for all of which electrical energy is needed; and

4. Whereas, there are also in Arizona, additional public and other lands in the vicinity of said reservation and also in the Gila Valley susceptible of irrigation from the Colorado River, but requiring pumping for such purposes, for which electrical energy will be needed, and the United States has now under way an investigation of possible reclamation of such areas as authorized by section fifteen (15) of the said Boulder Canyon project act; and

5. Whereas, the reclamation of said Indian and public and other lands will be rendered more feasible by the availability of stored water and electrical energy at the proposed Parker Dam, and the floods of the tributaries of the Colorado River between Hoover Dam and Parker Dam will be controlled, and navigation improved, by said dam; and

6. Whereas, the Secretary is authorized by said act of April 21, 1904 (33 Stat. 224), to build the proposed Parker Dam for the reclamation of all or any portion of the irrigable lands on the Yuma and Colorado River Indian Reservations in California and Arizona; and such authority has been reserved in the Arizona enabling act (act of June 20, 1910, 36 Stat. 570, 575), and

7. Whereas, the district is engaged in a project involving the construction of an aqueduct for the purpose of diverting and conveying water from the Colorado River

to the metropolitan area of Southern California for domestic, municipal and other useful purposes, and as a means of such diversion, desire storage in the main stream of the Colorado River at the site of the proposed Parker Dam, for the purpose, among others, of desilting water, reducing pump lift and developing incidental electrical energy for pumping water into and in said aqueduct and other uses subordinate to the said aqueduct project, and the district desires to utilize the proposed Parker Dam in common with the United States and is willing to pay to the United States the entire capital cost of construction of said dam, as hereinafter set forth, and is further willing that one-half of the power privilege created by said dam shall be reserved to the United States for the purposes of irrigation and drainage of lands in Arizona within the Colorado River Indian Reservation, as now constituted, and the Gila or Gila-Parker project, without contribution by the United States to the capital cost of the proposed dam, as hereinafter set forth, and is also willing that the dam be utilized by the United States for the storage and diversion of water for the requirements of Indian, public, and other lands in Arizona; and

8. Whereas, the Secretary is authorized by the act of Congress approved March 4, 1921, to receive moneys from the district as aforesaid and to affect therewith the construction of the proposed works as though said moneys were specifically appropriated for said purposes; and

9. Whereas, funds are not otherwise available for the construction by the United States of said dam and the provision of storage and diversion facilities and of appurtenant works for the irrigation and drainage of said Indian, public, and other lands in Arizona and the cooperative construction of the said dam and works as herein provided, will be mutually advantageous to the parties hereto, and the cost of said dam and appurtenant works will be materially less if constructed during the period of completion of the Hoover Dam now under construction than would otherwise be the case;

Now, therefore, in consideration of the mutual covenants herein contained, the parties hereto agree as follows, to-wit:

CONSTRUCTION BY THE UNITED STATES

10. The United States will, with funds advanced by the District as hereinafter provided, and for the purposes stated in this contract, construct in the main stream of the Colorado River at a point in the vicinity of Parker, Arizona, shown on the map attached hereto and described herein as Exhibit A, a dam, referred to herein as the Parker Dam, creating thereby a storage reservoir having a maximum water surface elevation of approximately four hundred fifty (450) feet above sea level. (U. S. Geological Survey datum.) Upon like conditions the United States will also construct outlet works, pressure tunnels, penstocks, and other appurtenant structures to the extent that such structures may be necessary and/or economically

desirable as parts of the original installation, and such facilities for navigation as the Secretary may find necessary. All buildings intended solely for the use of either party hereto shall be constructed at the sole expense of the party for whom such facilities shall be provided. The dam and appurtenant structures shall be so constructed that subsequent installation of diversion or outlet works shall be possible in the most feasible manner for canal connections with lands within the Colorado River Indian Reservation and with public and other lands in Arizona now or hereafter included in projects constructed under the Reclamation Law and supplementary legislation, or otherwise, subject to the consent and approval of the Secretary, and, if either party hereto requires it, so that one-half of the total installed capacity of electrical generating equipment may be located upon the Arizona side of the River and one-half on the California side. Outlet works, pressure tunnels, penstocks, connections for canals and appurtenant structures not required by the district shall be completed under this contract only to the extent necessary to permit their subsequent completion and use without risk or damage to the remainder of the work.

In carrying out the proposed work hereunder and in acquiring supplies, materials, and equipment therefor, the United States may proceed directly under the method commonly referred to as force account, or may proceed by construction contract. In the event that

such contract or contracts shall be let with reference to the construction of said dam, or the acquisition of supplies, materials, or equipment therefor, the letting of such contracts shall be governed by the provisions of section 3709, United States Revised Statutes.

FUNDS TO BE PROVIDED BY THE DISTRICT

11. The district will advance to the United States, not to exceed the sum of thirteen million dollars ($13,000,000), or so much thereof as may be (a) the cost of prepartion of plans and specifications described in article 13 hereof; (b) the actual cost of the said dam, including acquisition of lands and rights of way for reservoir and other incidental purposes, outlet works, pressure tunnels, and penstocks, to be constructed hereunder, and of the district's proportionate share as determined by the Secretary, of such power plant buildings and generating, transforming, and high voltage switching equipment as may be installed for the joint use of the United States and the district and (c) required to meet any overhead and general expense incurred by the United States in carrying out this contract.

Said funds will be furnished to the United States by payment from time to time to the Secretary or such fiscal agent as he may designate in advance of expenditure thereof by the United States. The Secretary will submit estimates of the monthly anticipated expenditures not less than sixty (60) days in advance and the district

will then advance the amount not less than thirty (30) days prior to the month in which such funds shall be estimated to be required. If the United States effects such construction by contract, such contract shall recite that the United States shall not be liable for any loss occasioned by the failure of the district to advance funds as herein provided. The district agrees to hold the United States harmless from all claims whatsoever arising from any such failure. If the funds provided by the district are at any time insufficient, the United States will stop work (if proceeding under force account), when the funds so advanced are exhausted, or give notice to the construction contractor to stop work (if proceeding by construction contract), when the funds so provided are about to be exhausted, and will not resume or give notice to resume work until additional and sufficient funds are provided by the district; and, in any event, the United States shall not be obligated by this agreement beyond the expenditure of the amount actually provided by the district, whether the proposed works are completed or not. The failure of the district to provide funds shall not impose any liability on the district other than to hold the United States harmless from the consequences thereof, but the United States may be relieved, at its option, of any obligation under this contract, if such failure continues for twelve (12) successive months, after submission of estimate therefor, by the Secretary's giving the district written notice of the termination of any further obligation of the United States hereunder.

The cost of the proposed works shall embrace all expense of whatever kind, growing out of or resulting from said works, including any overhead and general expense (as conclusively estimated by the Secretary) incurred by the United States in carrying out this contract. Nothing contained in this article is to be construed as obligating the United States to expend or Congress to appropriate money for any share of (a) said power plant buildings or (b) said generating, transforming and high voltage switching equipment intended for the joint use of the parties hereto.

NO OBLIGATION BY THE UNITED STATES TO PAY FOR WORKS CONSTRUCTED

12. The United States shall not be under any obligation to repay to the district, or otherwise contribute toward, the cost of any works built with funds provided by the district.

PREPARATION OF PLANS AND SPECIFICATIONS

13. The designs and specifications for all construction or other work under this contract (including exploratory and preparatory work) shall be prepared by the United States with the cooperation of and at the cost of the district, and shall be approved in writing by the general manager and chief engineer of the district, or such other officer as the directors thereof may designate, prior to performance thereof or the letting of contracts for such work.

DURATION OF CONTRACT

14. Upon written notice from the district to the Secretary that funds will be available to carry out the work to be constructed hereunder, the United States agrees to submit within thirty (30) days following such notice its first estimate of funds required during the first thirty (30) days of work hereunder and to proceed thereafter with reasonable diligence. It is contemplated that as far as practicable, the proposed works shall be constructed coincidentally with the construction of Hoover Dam and the filling of the reservoir thereby created and that any contract let by the United States for the erection of Parker Dam shall so provide; but neither the United States nor the district shall incur liability to the other through the noncompletion of said works within said period. This contract shall terminate on December 31, 1945, unless prior thereto the district shall have advanced sufficient funds for all works to be constructed by the United States hereunder, and in the event of such termination, all rights of the district under this contract shall cease, and the uncompleted works, together with the rights to the use thereof, shall vest in the United States.

POWER AND OTHER PRIVILEGES

15. I. The interests of both parties require and it is agreed that the water surface of the reservoir to be created by Parker Dam shall be maintained as nearly as possible at a level of 450 feet above sea level (U. S. Geological Survey datum) at the dam.

II. It is agreed that the United States shall have and may exercise the following rights and such incidental authority as may be necessary to make them effective:

(a) The right to control all water passing the dam; provided, however, that the water level stated in article 15 (I) hereof shall not be arbitrarily reduced but may be temporarily reduced from time to time to a minimum elevation of 440 feet above sea level, and the water level shall not be reduced below said minimum level except in cases of emergency affecting the safety of the said dam and appurtenant works.

(b) The right, without contribution to the cost of the dam built under this contract, to one-half the power privilege created thereby for use in the irrigation and drainage of lands in Arizona within the Colorado River Indian Reservation as now constituted and the Gila or Parker-Gila project, as determined by the Secretary and and for other purposes incidental to said Colorado River Indian Reservation and Gila or Parker-Gila project; that is to say, the right to pass through such generating equipment as it may install, one-half the total available flow at the dam at any given time, after deductions for diversions being made above the dam for the district's aqueduct and for the irrigation of (1) the Colorado River Indian Reservation, as now constituted, and (2) public and other lands in Arizona, now are hereafter included in projects constructed under the reclamation law and supple-

mentary legislation, or otherwise, subject to the consent and approval of the Secretary, and the right to so utilize such portion of the balance of the power privilege as aforesaid as may not be used by the district for the time being.

(c) The right to connect with such transmission system as the district may construct for the purpose of utilizing any power transmission capacity in excess of the district's requirements, for the transmission of power from Hoover Dam to Parker Dam for general use within the Colorado River Indian Reservation, as now constituted, and Gila or Parker-Gila project, as determined by the Secretary; provided that such excess capacity shall be subject to reasonable operating conditions fixed by the district, and that the United States shall pay to the district the cost of transmission of such power as may be transmitted by use of such excess capacity hereunder;

(d) The right to connect with Parker Dam and/or the reservoir created thereby by means of a canal (including such outlet and diversion features at Parker Dam as may be necessary or advisable) with lands within the Colorado River Indian Reservation, as now constituted, and with public and other lands in Arizona or California, now or hereafter included in projects constructed under the reclamation law and supplementary legislation, or otherwise, subject to the consent and approval of the Secretary, and the right to thereby divert such quantities

of water as may be consistent with the Colorado River compact and the Boulder Canyon project act.

III. It is agreed that the district shall have and may exercise the following rights and such incidental authority as may be necessary to make them effective:

(a) The right to one-half of the power privilege created by the proposed Parker Dam for the purpose of developing electrical energy for pumping water into and in the said aqueduct and other uses incidental to said aqueduct project in California; that is to say the right to pass through such generating equipment as it may install, one-half the total available flow at the dam at any given time, after deductions for diversions being made above the Dam for the district's aqueduct and for the irrigation of (1) the Colorado River Indian Reservation, as now constituted, and (2) public and other lands in Arizona, now or hereafter included in projects constructed under the reclamation law and supplementary legislation, or otherwise, subject to the consent and approval of the Secretary, and the right to utilize for said purpose such portion of the balance of the power privilege as aforesaid as may not be used by the United States for the time being.

(b) The right to divert water from the said Parker Dam and/or the reservoir created thereby, by means of an aqueduct, canal or other appropriate works (including such outlet and diversion features at Parker Dam as may be necessary or advisable) for domestic, muncipal and

other beneficial use within the area of the district, as now or hereafter constituted, in California, and to thereby divert such quantities of water as may be consistent with the Boulder Canyon project act, the Colorado River compact and the said contracts heretofore entered into between the United States and the district and described and referred to in Article 2 hereof.

INSTALLATION OF MACHINERY

16. Machinery and equipment for generating, transforming, and high voltage switching of energy for the sole use of the district shall be installed, owned and operated by the district at its own expense. The district shall not be liable for the cost of generating or other electrical equipment installed for the sole use of the United States.

OPERATION AND MAINTENANCE OF RESERVOIR, DAM AND OUTLET WORKS

17. The United States will operate and maintain the reservoir, dam and outlet works, to, but not including shut-off valves, and reserves the right to direct the control of all water passing the dam for any and all purposes; provided that contracts now in force between the parties hereto shall not be thereby impaired. So long as the United States shall make no use of the reservoir, the cost of operation and maintenance (which shall include repairs and replacements and a reasonable amount, as determined by the Secretary, for general expenses and over-

head, but excluding contingent liabilities and/or damages) shall be paid monthly in advance by the district to the United States within sixty (60) days of submission of estimates therefor. If and when the United States shall use or authorize the use of said reservoir for diversion of water and/or development of power, the annual cost of maintenance and operation of the reservoir and dam (as hereinabove in this paragraph limited and defined) shall be pro-rated upon the basis of the diversions by each party into their respective aqueducts, canals and power plants, and shall be paid in direct proportion to the use so made by the district and the United States.

OPERATION AND MAINTENANCE OF POWER PLANT AND POWER PLANT BUILDINGS

18. The district will operate and maintain at its own cost all buildings and equipment used solely by it for the generation of electrical energy, from and including shut-off valves. The United States will operate and maintain at its own cost all buildings and equipment used solely by the United States for the generation of electrical energy, subject to the availability of appropriations therefor by Congress, and said operation and maintenance shall be effected by the United States through such agency as the Secretary shall designate.

TITLE

19. Title to the dam and all other structures erected by the United States, whether utilized by it or by the

district, or by both, shall remain in the United States.

UNITED STATES TO BE HELD HARMLESS

20. The district agrees to save the United States, its officers, agents, and employees harmless from all claims whatsoever arising out of the construction and maintenance of said dam, and from all claims whatsoever arising out of such operation thereof as may be necessitated by the requirements of the district. The district agrees to pay all damages resulting from the flooding of lands, and, to the extent that lands within the Chimehuevi Indian Reservation are damaged, payment therefor will be made to the United States for the benefit of said Reservation.

ACCESS TO WORK AND TO BOOKS AND RECORDS

21. Accredited officers of the district shall have the right of ingress to and egress from all work done under this contract, both in progress and after completion, and the right at all reasonable hours to examine and make copies of any books, records, drawings, or specifications thereof; and the United States shall have a like right as to all pertinent books, records, drawings, and specifications of the district. Upon demand and at not less than thirty-day intervals, the United States will furnish to the district detailed statement of all costs and expenditures in connection with and/or chargeable against the proposed Parker Dam project.

EXISTING CONTRACTS BETWEEN THE UNITED STATES AND THE DISTRICT NOT AFFECTED

22. Existing contracts between the United States and the district shall remain in full force and effect and unaltered by the provision of this agreement.

TRANSFER OF INTEREST IN CONTRACT

23. No voluntary transfer of this contract, or of the rights hereunder, shall be made without the written approval of the Secretary; and any successor or assign of the rights of the district, whether by voluntary transfer, or otherwise, shall be subject to all the conditions of the reclamation law and supplementary legislation, and also subject to all the provisions of this contract, to the same extent as though such successor or assign were the original contractor hereunder.

RULES AND REGULATIONS

24. This contract is subject to such rules and regulations, conforming to the reclamation law and supplementary legislation and other statutes cited in this contract, as the Secretary may from time to time promulgate; provided, however, that no right of the district hereunder shall be impaired or obligation of the district hereunder shall be extended thereby; and provided, further, that opportunity for hearing shall be afforded the district by the Secretary prior to promulgation or modification of any such rules and regulations.

25. This contract is made upon the express condition and with the express understanding that all rights hereunder shall be subject to and controlled by the Colorado River compact, being the compact or agreement signed at Santa Fe, New Mexico, November 24, 1922, pursuant to the act Congress approved August 19, 1921, (42 Stat. 171), entitled "An act to permit a compact or agreement between the States of Arizona, California, Colorado, Nevada, New Mexico, Utah, and Wyoming, respecting the disposition and apportionment of the waters of the Colorado River, and for other purposes," which compact was approved in section 13 (a) of the Boulder Canyon project act.

AGREEMENT SUBJECT TO COLORADO RIVER COMPACT

DISPUTES AND DISAGREEMENTS

26. Whenever a controversy arises out of this contract, and if the disputants then agree to submit the matter to arbitration, the district shall name one arbitrator and the Secretary shall name one arbitrator, and the two arbitrators thus chosen shall elect three other arbitrators, but in the event of their failure to name all or any of the three arbitrators within five (5) days after their first meeting, such arbitrators not so elected shall be named by the senior judge of the United States Circuit Court of Appeals for the Ninth Circuit. The decision of any three of such arbitrators shall be a valid and binding award of the arbitrators.

MEMBER OF CONGRESS CLAUSE

27. No member of or Delegate to Congress or Resident Commissioner shall be admitted to any share or part of this contract, or to any benefit that may arise therefrom. Nothing, however, herein contained shall be construed to extend to this contract if made with a corporation for its general benefit.

IN WITNESS WHEREOF, the parties hereto have caused this contract to be executed the day and year first above written.

THE UNITED STATES OF AMERICA,
By RAY LYMAN WILBUR,
Secretary of the Interior.

Attest:
NORTHCUTT ELY.

THE METROPOLITAN WATER DISTRICT
OF SOUTHERN CALIFORNIA,
By W. P. WHITSETT,
Chairman of the Board of Directors.